



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

DARLENE GREEN
Comptroller

Internal Audit Section

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March 19, 2012

Sister Mary Ann Nestel, Executive Director
Carondelet Community Betterment Federation
6408 Michigan
St. Louis, MO. 63111

RE: Community Development Block Grant (CDBG) Home Investment Partnership
(HOME) (Project #2012-CDA21)

Dear Sister Nestel:

Enclosed is a report of the fiscal monitoring review of the Carondelet Community Betterment Federation, a not-for-profit organization, CDBG and HOME Programs, for the period January 1, 2011, through October 31, 2011. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of Carondelet Community Betterment Federation. Fieldwork was completed on January 11, 2012.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis, Community Development Administration (CDA) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Jill Claybour, Acting Executive Director, CDA
Lorna Alexander, Special Assistant for Development, CDA



CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIP (HOME)**

**CARONDELET COMMUNITY BETTERMENT FEDERATION
CONTRACT #11-10-81, #11-36-31 AND #11-HM-36-31
CFDA #14.218 AND #14.239**

FISCAL MONITORING REVIEW

JANUARY 1, 2011 THROUGH OCTOBER 31, 2011

PROJECT #2012-CDA21

DATE ISSUED: MARCH 19, 2012

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIP (HOME)
CARONDELET COMMUNITY BETTERMENT FEDERATION
FISCAL MONITORING REVIEW
JANUARY 1, 2011 THROUGH OCTOBER 31, 2011**

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INTRODUCTION

Background

Contract Name: Carondelet Community Betterment Federation

Contract Numbers: 11-10-81, 11-36-31 and 11-HM-36-31

CFDA Numbers: 14.218 (11-10-81&11-36-31)
14.239 (11-HM-36-31)

Contract Period: January 1, 2011 through December 31, 2011

Contract Amounts: \$162,450 (11-36-31)
\$ 10,687 (11-10-81)
\$ 44,000 (11-HM-36-31)

The contracts provided Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds to Carondelet Community Betterment Federation (Agency) to provide educational opportunities for adults, home repair assistance to senior and disabled citizens, and funding to low and moderate homeowners through the Forgivable Loan Program in the St. Louis area.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Community Development Administration (CDA) requirements for the period January 1, 2011, through October 31, 2011, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by the CDA. Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on January 11, 2012.

Exit Conference

The Agency declined an exit conference.

Management's Response

The management's response to the observation and recommendation identified in the report was received from the Agency on March 7, 2012. The response has been incorporated into this report.

SUMMARY OF OBSERVATIONS

Conclusion

Agency did not fully comply with federal, state, and local CDA requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2011-CDA21 issued April 20, 2011, contained no observations.

A-133 Status

The Agency did not expend \$500,000 or more in federal funds in its calendar year ended December 31, 2010; therefore, it was not required to have an A-133 single audit in accordance with OMB Circular A-133.

Summary of Current Observations

- Opportunity to submit monthly programmatic reports in a timely manner

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

Opportunity To Submit Monthly Programmatic Reports In A Timely Manner

The Agency did not date and sign the programmatic reports submitted to CDA for contract 11-36-31 for the review period. Consequently, it could not be determined if these reports were submitted in a timely manner.

Section B-15 of the contract states, "Programmatic reports are due by the 10th calendar day of the month following the monthly reporting period."

The Agency did not have a system of internal controls in place to ensure compliance with the programmatic reporting requirements of the CDA grant contract.

Failure by the Operating Agency to comply with the reporting requirements may result in suspension of the contract, withholding of reimbursements or payments, or cancellation of contract award.

Recommendation

It is recommended that the Agency comply with the CDA contract reporting requirements and submit all programmatic reports by the 10th day following the reporting month.

Management's Response

We are in receipt of the Fiscal Monitoring Draft Report submitted on February 29th, 2012, and want to address the following concern:

- *Opportunity to submit monthly programmatic reports in a timely manner*

From January through July of 2011, reporting was submitted on a timely basis, however it appears the Housing Manager at that time made copies of the programmatic reports for the file prior to obtaining necessary signatures.

From August through the end of October 2011, there was a change of staffing for the Housing Manager. Reports were not able to be submitted until CCBF received CDA clearance for the internal hiring of the new Housing Manager under this contract, thus the reports could not be signed until this was received. Once CDA clearance was received and Mrs. Warmhoff was included in the Personnel Schedule, programmatic reporting resumed.

To ensure that CCBF is in compliance with all reporting requirements for CDA, reports will be submitted by the 10th of each month and signed and dated copies of the programmatic reports will be held on file at CCBF.

Thank you for the opportunity to respond and for your time and patience during the audit. If there is anything else required, please feel free to contact us at any time.